



## **BROOKMAN ROAD ANNEXATION FREQUENTLY ASKED QUESTIONS**

1. *Since Sherwood Schools are already at capacity, won't adding more homes as a result of this annexation negatively affect the schools?*

**ANSWER:** Some of the schools within the Sherwood School district are at or nearing capacity. Other schools are below capacity. It is the school district's responsibility to plan for growth in the same sense that the City does. The City collects an excise tax from new construction to help offset the cost of growth, but without new development, it is unlikely that the monies collected would ever be large enough to make capital improvements to the system. It is important to note that the Sherwood School District boundary is independent of the city limits, so any growth within the boundaries of the school district will likely contribute students to the system even if it is growth that occurs outside of the city limits.

2. *How much traffic congestion will the annexation create?*

**ANSWER:** As properties within the annexed area develop, there would be an increase in traffic on to SW Brookman Road, SW Middleton Road, and SW Pacific Highway. Developers would be required to bring the roads up to current standards along the properties' frontage, and mitigate any off-site impacts that are created by the added traffic. The city is only permitted to require the developer to mitigate issues that are roughly proportional to the impacts created by their development. The City of Sherwood is also in the heart of several communities that are continuing to grow. (i.e. Beaverton, Tigard, Tualatin, Wilsonville, and Newberg). Many residents from these areas drive through Sherwood on their way to work, shop, or recreate. One thing that we can do to combat congestion is to build a complete community that allows our residents to work, shop, and recreate right here at home.

3. *Will the developers be required to pay for the new infrastructure required of this area?*

**ANSWER:** All new development within the City of Sherwood is required to pay system development charges (SDCs) to address the impacts to the sewer, water, parks, and transportation utilities. Those fees are approximately \$25,000 to \$30,000 per home depending on the size of the home. In addition, the developer is required to build the utility extensions, improve the streets and provide open space to support their development in line with the Sherwood Zoning and Community Development Code.

4. *Won't this increase my taxes?*

**ANSWER:** The annexation itself will not increase taxes. In Oregon, your taxes generally cannot increase more than 3% annually. According to the Washington County Assessor, there are four major reasons your property taxes can increase by more than 3%. The first two reasons may be:

- 1) If you live in a taxing district that has new voter-approved Bonds or Local Option Levies, your property taxes may increase more than the anticipated 3%. There are new Levies or Bonds approved or reauthorized by the voters that will be reflected in this year's tax bill.
- 2) Prior to the assessment date of January 1, if you made any major renovations or changes to your property, your property taxes may increase more than the anticipated 3%.

The next two reasons are more complicated and require the definition of key terms to help understand the process. These terms include:

**Assessed Value** is the lower of the Real Market Value or the Maximum Assessed Value.

**Real Market Value** is the amount determined by the county assessor for a property that would sell in an arm's length transaction between a willing buyer and seller on January 1 of each year.

**Maximum Assessed Value** is the taxable value limit established for each property and is allowed to increase each year by no more than 3%.

3) Your Assessed Value (**AV**) may have increased more than 3%. Under Oregon law, your AV is the lesser of your Real Market Value (**RMV**) and your Maximum Assessed Value (**MAV**). If your RMV has dropped below your MAV, it is possible for your RMV to increase more than 3% from last year yet still be less than your MAV. As the lesser of the two values, RMV then becomes your AV. Your taxes are calculated on the lower of the **Real Market Value** or the **Maximum Assessed Value**. This then becomes your **Assessed Value**.

4) The last reason is due to compression. The operating taxes for schools and local government are limited. Each account is tested to determine if the operating taxes based on the assessed value exceed the limit of \$5.00 per \$1,000 of RMV for schools and the \$10.00 per \$1,000 of RMV for local government. If the limit is reached, the tax bill is reduced (compressed). As the market values dropped over the last few years, the difference between the market and the assessed values became closer. In some cases this caused compression. As the market value increases, the difference between the market and the assessed values may increase as well. This reduces the chance for compression, but can also increase your tax liability if compared to a prior year's tax that was in compression. If your account has been in compression, it is possible that as the real market values increase you will see an increase in your property tax bill by more than 3%. On the other hand, restricting the supply of land within Sherwood is going to

increase the value of land and homes in Sherwood. So homes will continue to rise in cost and be much less attainable for people looking to relocate to or within the City of Sherwood.

5. *Isn't annexation of the Brookman Road area going to change the "small town" character of Sherwood?*

**ANSWER:** The fact that people believe Sherwood has "small town" character is a testament to the good planning that has occurred in Sherwood. We have been consistently named to *Money Magazine* top small cities in America. Because of its character, good schools, proximity to recreation and jobs, there will continue to be a strong demand to live in Sherwood. It still rings true today that you can be anywhere within Sherwood in 5-10 minutes. It is also true that you can still be to Portland, the Oregon Coast, or Oregon wine country in a relatively short period of time. Considering that the population of Sherwood has doubled in just the past 15-20 years, it could be said that the "small town" character of the city is not limited to the physical form of the city but to the fact that it is a very welcoming and friendly community.

6. *Why is the Brookman area proposed for annexation?*

**ANSWER:** The short answer is that Brookman is already located within the Metro Urban Growth Boundary. That means that it is the area where Sherwood is expected to grow into. The area has been concept planned, has assigned zoning, and there have been public investments in utilities to prepare for the area to come into the City of Sherwood. With Brookman, the City has a land supply to accommodate approximately 4-10 years of growth at our historic rate. Without the area, the City will continue to experience pressure to grow. That pressure will translate into growth from increased density, infill development or from land that is rezoned from commercial or employment to residential to provide additional land for housing.

7. *If Sherwood doesn't annex the land, would Washington County allow the land to be developed?*

**ANSWER:** While that is a possibility, it is not a certainty. There are clearly examples where Washington County has allowed for urban development outside of the city limits. Bull Mountain, Metzger, and Bethany are all examples of where urban densities are developed within the UGB, but outside of a city. In each of these cases, the areas located outside of the city limits have benefited from city services without paying for them. If this happens, then we would have less influence on new development and densities within the area.

**"This information was reviewed by the Oregon Secretary of State's Office."**